

**CATALYST DOMESTIC
VIOLENCE SERVICES**

Chico, California

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITORS' REPORTS**

June 30, 2008 and 2007

DATE RECEIVED:



AUDIT REVIEW #(s) 04802

Assigned To: Ryan

Date Reviewed: 7/20/09

Reviewer's Initials: JK

Date Review(s) Completed: 7/20/09

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June 30, 2008 and 2007

Catalyst Domestic Violence Services

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Catalyst Domestic Violence Services
Chico, California

We have audited the accompanying statements of financial position of Catalyst Domestic Violence Services (the Organization), a nonprofit organization, as of June 30, 2008 and 2007, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Grant Recipient Handbook* issued by the California Office of Emergency Services. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2008 and 2007, changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2008, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the Organization taken as a whole. The accompanying funding source reconciliation is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Matson and Isom

December 9, 2008

FINANCIAL SECTION

STATEMENTS OF FINANCIAL POSITION

Catalyst Domestic Violence Services

June 30	2008	2007
ASSETS		
CURRENT ASSETS		
Cash	\$ 85,837	\$ 52,219
Investments	36,029	38,054
Grants and contracts receivable	259,319	269,684
Prepaid expenses	12,803	12,491
Total Current Assets	393,988	372,448
AGENCY ENDOWMENT	182,159	190,255
PROPERTY AND EQUIPMENT		
Net of accumulated depreciation	129,778	144,139
Total Assets	\$ 705,925	\$ 706,842
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 11,269	\$ 9,728
Accrued payroll liabilities	22,935	23,668
Lines of credit	314	380
Total Current Liabilities	34,518	33,776
NET ASSETS		
Unrestricted	549,407	536,066
Temporarily restricted	122,000	137,000
Total Net Assets	671,407	673,066
Total Liabilities and Net Assets	\$ 705,925	\$ 706,842

The accompanying notes are an integral part of these financial statements

STATEMENTS OF ACTIVITIES

Catalyst Domestic Violence Services

Page 1 of 2

Year Ended June 30, 2008	Unrestricted	Temporarily Restricted	Total
GRANTS AND OTHER SUPPORT			
GRANTS			
Butte County	\$ 30,000	\$ -	\$ 30,000
City of Chico	57,968	-	57,968
FEMA	10,070	-	10,070
Glenn County	50,000	-	50,000
Maternal and Child Health	265,594	-	265,594
Office of Emergency Services	453,925	-	453,925
Town of Paradise	12,000	-	12,000
United Way	14,432	-	14,432
Others	5,760	-	5,760
Total Grants	899,749	-	899,749
OTHER SUPPORT			
Donations	35,546	-	35,546
Other income	53,199	-	53,199
Investment income	9,754	-	9,754
Restitution	25,254	-	25,254
Unrealized loss	(18,197)	-	(18,197)
Total Other Support	105,556	-	105,556
Total Grants and Other Support	1,005,305	-	1,005,305
EXPENSES			
Program services	820,202	-	820,202
Management and general	176,587	-	176,587
Fundraising	10,176	-	10,176
Total Expenses	1,006,964	-	1,006,964
Change in Net Assets	(1,659)	-	(1,659)
Net Assets - Beginning of Year	536,066	137,000	673,066
Net Assets Released from Restriction	15,000	(15,000)	-
Net Assets - End of Year	\$ 549,407	\$ 122,000	\$ 671,407

The accompanying notes are an integral part of these financial statements

STATEMENTS OF ACTIVITIES

Catalyst Domestic Violence Services

Page 2 of 2

Year Ended June 30, 2007	Unrestricted	Temporarily Restricted	Total
GRANTS AND OTHER SUPPORT			
GRANTS			
Blue Shield	\$ 15,000	\$ 15,000	\$ 30,000
Butte County	108,844	-	108,844
City of Chico	20,166	-	20,166
City of Oroville	16,347	-	16,347
FEMA	4,820	-	4,820
Glenn County	50,000	-	50,000
Maternal and Child Health	265,594	-	265,594
Office of Emergency Services	453,925	-	453,925
Town of Paradise	8,000	-	8,000
United Way	9,350	-	9,350
Others	5,388	-	5,388
Total Grants	957,434	15,000	972,434
OTHER SUPPORT			
Donations	17,586	-	17,586
Other income	12,979	-	12,979
Investment income	12,062	-	12,062
Restitution	24,581	-	24,581
Unrealized gain	22,634	-	22,634
Total Other Support	89,842	-	89,842
Total Grants and Other Support	1,047,276	15,000	1,062,276
EXPENSES			
Program services	877,599	-	877,599
Management and general	194,487	-	194,487
Fundraising	2,733	-	2,733
Total Expenses	1,074,819	-	1,074,819
Change in Net Assets	(27,543)	15,000	(12,543)
Net Assets - Beginning of Year	563,609	122,000	685,609
Net Assets - End of Year	\$ 536,066	\$ 137,000	\$ 673,066

The accompanying notes are an integral part of these financial statements

STATEMENTS OF FUNCTIONAL EXPENSES

Catalyst Domestic Violence Services

Page 1 of 2

Year Ended June 30, 2008	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 374,169	\$ 92,852	\$ -	\$ 467,021
Payroll taxes	31,561	8,423	-	39,984
Workers' compensation	12,473	3,140	-	15,613
Health insurance	46,219	11,584	-	57,803
Contributed services	122,298	-	-	122,298
Advertising	4,436	604	-	5,040
Architectural services	29,639	-	-	29,639
Audit fees	8,248	-	-	8,248
Client assistance	7,044	-	-	7,044
Conferences	320	260	-	580
Consulting	1,025	756	-	1,781
Depreciation	14,941	-	-	14,941
Equipment maintenance	4,287	1,429	-	5,716
Fees	-	3,078	-	3,078
Food	4,944	-	-	4,944
Incentive	139	-	-	139
Intern supervision	8,510	-	-	8,510
Insurance	6,023	2,581	-	8,604
Interest	-	3,666	-	3,666
Miscellaneous	2,486	4,405	10,176	17,067
Operating match	3,000	-	-	3,000
Postage	751	2,254	-	3,005
Program materials	1,881	-	-	1,881
Project administration	-	5,027	-	5,027
Publications	1,377	-	-	1,377
Rent	42,802	13,516	-	56,318
Repairs and maintenance	27,129	-	-	27,129
Subcontracts	4,515	-	-	4,515
Supplies	4,028	8,862	-	12,890
Taxes	-	594	-	594
Telephone	28,846	5,090	-	33,936
Travel	15,986	5,328	-	21,314
Utilities	11,125	3,138	-	14,263
Total Expenses	\$ 820,202	\$ 176,587	\$ 10,176	\$ 1,006,964

The accompanying notes are an integral part of these financial statements

STATEMENTS OF FUNCTIONAL EXPENSES

Catalyst Domestic Violence Services

Page 2 of 2

Year Ended June 30, 2007	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 386,186	\$ 96,922	\$ -	\$ 483,108
Payroll taxes	38,634	9,658	-	48,292
Workers' compensation	13,795	3,474	-	17,269
Health insurance	46,233	11,558	-	57,791
Contributed services	118,123	-	-	118,123
Advertising	8,182	1,115	-	9,297
Architectural services	19,890	-	-	19,890
Audit fees	7,635	-	-	7,635
Client assistance	33,750	-	-	33,750
Conferences	1,849	1,512	-	3,361
Consulting	2,350	1,736	-	4,086
Depreciation	15,844	-	-	15,844
Equipment maintenance	3,816	1,272	-	5,088
Fees	-	3,922	30	3,952
Food	10,553	-	1,397	11,950
Incentive	270	-	-	270
Intern supervision	11,340	-	-	11,340
Insurance	8,263	3,541	-	11,804
Interest	-	3,138	-	3,138
Miscellaneous	646	10,485	300	11,431
Operating match	7,175	-	-	7,175
Postage	670	2,012	-	2,682
Program materials	5,113	-	-	5,113
Publications	4,176	878	801	5,855
Rent	46,873	14,802	-	61,675
Repairs and maintenance	3,816	-	-	3,816
Small equipment	1,086	275	-	1,361
Subcontracts	15,301	-	-	15,301
Supplies	5,621	12,820	205	18,646
Telephone	26,621	4,698	-	31,319
Travel	22,221	7,406	-	29,627
Utilities	11,567	3,263	-	14,830
Total Expenses	\$ 877,599	\$ 194,487	\$ 2,733	\$ 1,074,819

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

Catalyst Domestic Violence Services

Years Ended June 30	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,659)	\$ (12,543)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,941	15,844
Unrealized (gain) loss	18,197	(22,634)
Changes in:		
Grants and contracts receivable	10,365	81,582
Inventory	-	24,000
Prepaid expenses	(312)	(6,480)
Accounts payable	1,541	(18,981)
Accrued payroll liabilities	(733)	(2,156)
Net Cash Provided by Operating Activities	42,340	58,632
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(580)	(2,938)
Purchase of investments	(1,819)	(2,106)
Investment in endowment	(6,257)	(8,361)
Net Cash Used by Investing Activities	(8,656)	(13,405)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net payments on line of credit	(66)	(7,415)
Net Increase in Cash	33,618	37,812
Cash - Beginning of Year	52,219	14,407
Cash - End of Year	\$ 85,837	\$ 52,219
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year:		
Interest	\$ 3,666	\$ 3,138

The accompanying notes are an integral part of these financial statements

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities Catalyst Domestic Violence Services (the Organization), was incorporated on October 31, 1977, in the state of California as a nonprofit organization as defined under Section 501(c)(3) of the Internal Revenue Code. The Organization's primary purpose is to prevent and reduce the incidence of domestic violence in Butte County by intervening in the cycle of violence through crisis intervention services and community education. The Organization's services include a 24-hour crisis line, individual counseling, and emergency shelter for victims of domestic violence and their children.

Grant funds are received to operate the program from federal, state and local agencies. Note that as of September 30, 2008, the program is no longer receiving grant funds from the Office of Emergency Services for the Domestic Violence Response Team. Additionally, funds are received from the issuance of marriage licenses in Butte County.

Basis of Accounting The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles, and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. The Organization had no permanently restricted net assets on June 30, 2008 and 2007.

Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents The Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Promises to Give Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

June 30, 2008 and 2007

Contributions The Organization is required to report contributions received as unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

Endowment contributions and investments are temporarily restricted by the donor. Investment earnings are recorded in unrestricted net assets.

Property and Equipment It is the Organization's policy to capitalize property and equipment valued over \$500 and with a useful life in excess of one year. Property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their appraised or estimated fair value.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period.

Grants and Contracts Receivable Grants and contracts receivable represent amounts due from federal, state, and local grant fund sources. Losses on uncollectible grants and contracts receivable are recognized when such losses become known or indicated. Management considers all accounts fully collectible.

Fair Value of Financial Instrument Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments approximate the carrying values of such assets.

Concentrations of Credit Risk Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of grants receivable. The credit risk is limited due to the receivables relating primarily to agreements with various government entities.

Functional Allocation of Expenses The costs of providing the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising The Organization charges advertising costs to expense as incurred.

Income Taxes The Organization, a voluntary health and welfare organization, is exempt from federal and state income taxes under Section 501(c)(3) of the *Internal Revenue Code* and Section 23701(d) of the *California Revenue and Taxation Code* and, therefore, has no provision for income taxes.

Contributed Services A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. The volunteers devote time to the Organization by staffing the 24-hour crisis line, performing office work, and providing other client services. For matching purposes, the hours of these volunteers are monitored and valued in the financial statements at \$10 per hour for grants received from the State of California Office of Emergency Services (OES) and California State Department of Health Services, Maternal and Child Health (MCH).

June 30, 2008 and 2007

Reclassifications Various reclassifications have been made to the 2007 financial statements in order to insure comparability with the 2008 presentation.

2. GRANTS AND CONTRACTS RECEIVABLE

The grants and contracts receivable are unconditional and due within one year. Grants receivable consisted of the following at June 30:

	2008	2007
Butte County Department of Behavioral Health	\$ 3,000	\$ -
City of Chico	42,614	1,441
City of Oroville	-	4,212
Glenn County Human Resource Agency	13,109	-
Juvenile Hall - Butte County	398	896
Maternal and Child Health	55,332	55,332
Office of Emergency Services	142,242	207,803
United Way	2,624	-
Total Grants and Contracts Receivable	\$ 259,319	\$ 269,684

3. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30:

	2008	2007
Furniture and equipment	\$ 135,090	\$ 134,510
Leasehold improvements	197,007	197,007
Subtotal	332,097	331,517
Accumulated depreciation	(202,319)	(187,378)
Property and Equipment - Net	\$ 129,778	\$ 144,139

Total depreciation expense for the year ended June 30, 2008 and 2007, was \$14,941 and \$15,844, respectively.

June 30, 2008 and 2007

4. INVESTMENTS

The Organization's investments in marketable equity securities are held for an indefinite period and are thus classified as available for sale. Available-for-sale securities are recorded at fair value in investments on the balance sheet with the change in fair value during the period included in other income on the statement of activities. The following is a summary of investments at June 30:

Year Ended June 30, 2008	Unrealized Loss	Fair Value
Edward Jones investments	\$ 3,844	\$ 36,029
Agency endowment	14,353	182,159
Total	\$ 18,197	\$ 218,188

Year Ended June 30, 2007	Unrealized Gain	Fair Value
Edward Jones investments	\$ 5,254	\$ 38,054
Agency endowment	17,380	190,255
Total	\$ 22,634	\$ 228,309

Year Ended June 30, 2008	Unrestricted	Temporarily Restricted	Total
Edward Jones investments	\$ 19,029	\$ 17,000	\$ 36,029
Agency endowment	77,159	105,000	182,159
Total	\$ 96,188	\$ 122,000	\$ 218,188

Year Ended June 30, 2007	Unrestricted	Temporarily Restricted	Total
Edward Jones investments	\$ 21,054	\$ 17,000	\$ 38,054
Agency endowment	85,255	105,000	190,255
Total	\$ 106,309	\$ 122,000	\$ 228,309

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2008 and 2007:

Year Ended June 30, 2008	Edward Jones Investments	Agency Endowment	Other	Total
Interest and dividends	\$ 1,579	\$ 8,166	\$ 9	\$ 9,754
Unrealized loss	(3,844)	(14,353)	-	(18,197)
Total Investment Deficit	\$ (2,265)	\$ (6,187)	\$ 9	\$ (8,443)

Year Ended June 30, 2007	Edward Jones Investments	Agency Endowment	Other	Total
Interest and dividends	\$ 1,930	\$ 10,113	\$ 19	\$ 12,062
Unrealized gain	5,254	17,380	-	22,634
Total Investment Return	\$ 7,184	\$ 27,493	\$ 19	\$ 34,696

5. LINES OF CREDIT

The following is a summary of the revolving lines of credit at June 30:

Year Ended June 30, 2008	Interest	Credit Limit	Balance
Tri-Counties Bank line of credit	8.00%	\$ 90,000	\$ 114
Wells Fargo Bank MasterCard	12.25%	\$ 90,000	200
Total			\$ 314

Year Ended June 30, 2007	Interest	Credit Limit	Balance
Tri-Counties Bank line of credit	11.25%	\$ 90,000	\$ 83
Wells Fargo Bank MasterCard	15.00%	\$ 90,000	297
Total			\$ 380

6. TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets at June 30, 2008 and 2007, consist of a private donation and donations made on behalf of an estate. The document governing the private donation specifies that it is to be maintained by the Organization in an investment account. The original restricted amount of the donation, \$17,000, is recorded in an investment account at Edward Jones. The document governing the estate donations specifies that they are to be maintained by the Organization in an endowment fund. The Organization maintains these funds with North Valley Community Foundation.

7. GRANT FUNDING

On June 8, 2005, the Organization was approved to receive a multi-year grant from the Maternal, Child and Adolescent Health Branch of the California State Department of Health Services. This grant is for reimbursement of actual expenses and will provide the Organization with \$220,000 in funding for each of the five years commencing July 1, 2005, through June 30, 2010, for an aggregate award of \$1,100,000. This award is subject to the availability of funds in the State of California Budget Act.

8. OPERATING LEASE

The Organization leases its Oroville office space under a noncancellable operating lease agreement for \$225 per month with annual adjustments. The lease agreement expires on July 1, 2013. In addition, the Organization leases its Chico office space under a noncancellable operating lease agreement for \$3,100 per month with annual increases. The lease agreement expires on June 30, 2011.

Future minimum rental payments are as follows:

2009	\$ 41,188
2010	39,904
2011	39,904
2012	2,704
2013	2,704
Total Future Operating Lease Payments	\$ 126,404

Total rent expense charged to income for the years ended June 30, 2008 and 2007, was \$56,318 and \$61,675, respectively.

SUPPLEMENTAL INFORMATION SECTION

FUNDING SOURCE RECONCILIATION**Catalyst Domestic Violence Services**

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Office of Emergency Services**July 1, 2007 to June 30, 2008****Grant Number DV07221206**

	Total
REVENUE	\$ 243,972
EXPENDITURES	
Personal services	\$ 145,979
Personal services - match	40,902
Operating	54,091
Operating - match	3,000
Total Expenditures	\$ 243,972

Office of Emergency Services**July 1, 2007 to June 30, 2008****Grant Number VA07031206**

	Total
REVENUE	\$ 209,953
EXPENDITURES	
Personal services	\$ 135,714
Personal services - match	37,131
Operating	37,108
Total Expenditures	\$ 209,953

FUNDING SOURCE RECONCILIATION*Catalyst Domestic Violence Services*

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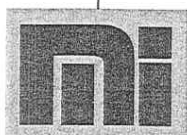
Office of Emergency Services**July 1, 2006 to June 30, 2007****Grant Number DV06211206**

	Total
REVENUE	\$ 243,972
EXPENDITURES	
Personal services	\$ 154,700
Personal services - match	43,902
Operating	45,370
Total Expenditures	\$ 243,972

Office of Emergency Services**July 1, 2006 to June 30, 2007****Grant Number VA06021206**

	Total
REVENUE	\$ 209,953
EXPENDITURES	
Personal services	\$ 126,419
Personal services - match	37,131
Operating	46,403
Total Expenditures	\$ 209,953

OTHER REPORT



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Catalyst Domestic Violence Services
Chico, California

We have audited the financial statements of Catalyst Domestic Violence Services (the Organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 9, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Continued

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Organization's Board of Directors, audit committee, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Matson and Isom

December 9, 2008

FINDINGS

SCHEDULE OF FINDINGS

June 30, 2008

*Catalyst Domestic Violence Services***SUMMARY OF AUDIT RESULTS****FINANCIAL STATEMENTS**

Type of auditors' report issued	Unqualified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

STATE AWARDS

Internal control over state programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for state programs	Unqualified

**SUMMARY SCHEDULE OF
PRIOR AUDIT FINDINGS**

June 30, 2008

Catalyst Domestic Violence Services

None.